

House Study Bill 182 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON CARLSON)

A BILL FOR

1 An Act relating to insurance notices and documents delivered
2 by electronic means to a consumer that purchases portable
3 electronics insurance in a retail transaction.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 505B.1, subsection 1, paragraph a,
2 unnumbered paragraph 1, Code 2019, is amended to read as
3 follows:

4 "Delivered or deliver by electronic means" means any of the
5 following:

6 Sec. 2. Section 505B.1, Code 2019, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 4A. a. For purposes of this subsection,
9 "*consumer*", "*endorsee*", "*portable electronics insurance*", and
10 "*portable electronics vendor*" mean the same as defined in
11 section 522E.1.

12 b. Notwithstanding subsection 4, a consumer who, at the
13 time of sale provides an electronic mail address to a portable
14 electronics vendor or the endorsee of a portable electronics
15 vendor, shall be deemed to have given affirmative consent for
16 all portable electronic insurance notices and documents to be
17 delivered by electronic means to the consumer.

18 c. A portable electronics vendor or endorsee shall, at the
19 time of sale, advise a consumer in writing that by providing
20 an electronic mail address the consumer is giving affirmative
21 consent for all portable electronic insurance notices and
22 documents to be delivered by electronic means. The portable
23 electronics vendor or endorsee shall also advise the consumer
24 in writing of the process by which the consumer may obtain a
25 paper copy of notices or documents, and the process by which
26 the consumer can opt out of having notices and documents
27 delivered by electronic means.

28 Sec. 3. Section 522E.1, subsection 2, Code 2019, is amended
29 to read as follows:

30 2. "*Consumer*" means a person who purchases portable
31 electronics or portable electronics insurance in a retail
32 transaction.

33 Sec. 4. Section 522E.1, Code 2019, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 2A. "*Delivered or deliver by electronic*

1 *means* means the same as defined in section 505B.1.

2 Sec. 5. Section 522E.9, Code 2019, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 7. Affirmative consent from a consumer for
5 all portable electronic insurance notices and documents to be
6 delivered by electronic means to the consumer is obtained by
7 a portable electronics vendor or endorsee pursuant to section
8 505B.1, subsection 4A.

9 Sec. 6. Section 522E.13, subsections 5 and 6, Code 2019, are
10 amended to read as follows:

11 5. If a portable electronics insurance policy is terminated
12 by the licensed portable electronics vendor that is the
13 policyholder, the portable electronics vendor shall mail,
14 deliver, or deliver by electronic means, a written notice
15 to each enrolled consumer advising the enrolled consumer
16 of the termination of the policy and the effective date of
17 termination. The written notice shall be mailed, delivered,
18 or delivered by electronic means by the portable electronics
19 vendor to the enrolled consumer at least thirty calendar days
20 prior to the termination. ~~However, if~~ If the notice is not
21 ~~sent within~~ mailed, delivered, or delivered by electronic
22 means thirty calendar days prior to the termination of the
23 policy, enrollment shall continue until thirty calendar days
24 from the date the portable electronics vendor sends notice
25 of termination by mail or delivery or notice is delivered by
26 electronic means to the enrolled consumer, or until a new
27 portable electronics insurance policy is in effect.

28 ~~Whenever~~ If notice or correspondence with respect to a
29 policy of portable electronics insurance is required pursuant
30 to this section, ~~it~~ the notice or correspondence shall be in
31 writing and sent within the notice period required pursuant
32 to this section. ~~Notices and~~ Notice or correspondence shall
33 be sent to the licensed portable electronics vendor that
34 is the policyholder at the ~~portable electronics vendor's~~
35 mailing address, or delivered by electronic means to the

1 electronic mail address, specified by the licensed portable
2 electronic vendor for that purpose and to its each of the
3 licensed portable electronic vendor's affected enrolled
4 ~~consumers'~~ consumer's last known mailing addresses address
5 or electronic mail address on file with the insurer or the
6 portable electronics vendor. All notices and documents that
7 are delivered by electronic means shall comply with section
8 505B.1, except for the provisions in subsection 4. The insurer
9 or portable electronics vendor shall maintain proof that the
10 notice or correspondence was sent for not less than three years
11 after that notice or correspondence was sent.

12

EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

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This bill relates to insurance notices and documents
16 delivered by electronic means to a consumer that purchases
17 portable electronics insurance in a retail transaction.

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Current law requires that notices or correspondence
19 related to a policy of portable electronics insurance be in
20 writing and that the notices or correspondence be mailed.

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This requirement applies to notices or correspondence from a
22 portable electronics insurer (insurer) to a licensed portable
23 electronics vendor that is the policyholder (vendor), from
24 an insurer to an enrolled consumer, and from a vendor to an
25 enrolled consumer.

26

The bill provides that notices and correspondence related
27 to a policy of portable electronics insurance may be delivered
28 by electronic means if at the time of purchase the consumer
29 provides an electronic mail address, and the vendor or the
30 vendor's endorsee advises the consumer in writing that by
31 providing the electronic mail address, the consumer is giving
32 affirmative consent for insurance notices and correspondence
33 to be delivered by electronic means. In addition, the vendor
34 or the vendor's endorsee must provide the consumer with a
35 clear and conspicuous statement advising the consumer of the

1 consumer's right to have the notice or document in paper form,
2 and of the right to cancel the consumer's consent. The bill
3 exempts the vendor and the vendor's endorsee from the other
4 required advisements to the consumer as required in Code
5 section 505B.1(4).

6 The bill requires that an insurer, a vendor, and a vendor's
7 endorsee comply with Code chapter 505B (insurance notices and
8 documents — electronic delivery and posting), except for
9 subsection 4, for all notices and correspondence related to a
10 policy of portable electronics insurance that are delivered by
11 electronic means.